

TAB

Calendar No. 74085TH CONGRESS
1st Session }

SENATE

{ REPORT
No. 719**FEDERAL EMPLOYEES' PAY ACT OF 1957**JULY 25 (legislative day, JULY 8), 1957.—Ordered to be printed

Mr. NEURERGER, from the Committee on Post Office and Civil Service, submitted the following

R E P O R T

[To accompany S. 734]

The Committee on Post Office and Civil Service, to whom was referred the bill (S. 734) to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes, having considered the same, report favorably thereon with an amendment, and recommend that the bill, as amended, do pass.

AMENDMENT

The committee amendment strikes out all of the bill after the enacting clause and substitutes therefor a new bill which appears in the reported bill in italic type.

GENERAL STATEMENT

The bill, as reported, among other things provides a general increase of 7½ percent in the pay of approximately 1 million employees in the executive, judicial, and legislative branches of the government. The bill carries out the traditional practice of treating these employees alike in matters of pay.

The employees whose pay would be increased by the bill consist of scientific, professional, technical, administrative, and clerical personnel required to man over 15,000 different occupational skills essential to the effective performance of the varied and farflung functions of the Federal Government. Fewer than 20 percent of the total are employed in the Washington area. Over 80 percent are employed in every State and county of the Nation and in many faraway outposts of the world.

JUSTIFICATION

Long and searching hearings on this and other pay bills established conclusively that the compensation of the Government's white collar

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John [Signature]

employees has not kept pace with that of comparable employees in private industry.

Competent and irrefuted testimony was received during the course of the public hearings to the effect that—

1. The Government is suffering alarming losses of established career engineers, scientists, and other professional personnel to private industry because of an unfavorable competitive position salarywise.
2. The turnover rate of scientists, engineers, and other professional personnel in 1956 was four times that of 1951.
3. The best qualified people are leaving and the replacements fall far short of measuring up to those who have left.
4. Currently, 1 out of every 5 electronic, mechanical, and aeronautical engineering positions is vacant and similar shortages exist in other occupations.
5. Only 1 out of 8 nontechnical college graduates offered jobs last year accepted. Only 1 out of 10 offered technical jobs accepted.
6. The situation is fast becoming critical. Increasing losses of top talent and the lack of competent input at the bottom cannot long continue without serious and costly results.

In light of these conditions, the increase provided by the bill is well below what many members of the committee believe fully justified and would support. However, in the interest of harmony and in the belief that an increase of such modest proportions could be enacted quickly the 7½ percent was agreed to.

EXPLANATION OF BILL BY SECTIONS

Title

Section 1 provides that the act may be cited as the "Federal Employees' Pay Act of 1957."

Rates of pay fixed by the Classification Act

Section 2 (a) amends section 603 (b) of the Classification Act of 1949, as amended, by establishing new per annum rates of compensation for the general schedule (GS) 7½ percent above existing rates in all grades except GS-18.

Subsection (b) is for the purpose of providing a comparable increase to employees whose salaries are frozen under a pay savings provision of law.

Pay of judicial employees

Section 3 (a) authorizes a corresponding increase for employees in or under the judicial branch of the Government. Among such employees are:

- (1) Clerks of courts, criers, messengers, secretaries, clerical assistants, and other employees of the Federal courts whose compensation is not otherwise fixed by law;
- (2) Clerical, stenographic, and other assistants of referees in bankruptcy;
- (3) Probation officers and clerical help;
- (4) Law clerks and secretaries of the Supreme Court;
- (5) The librarian, marshal, and reporter of the Supreme Court and necessary assistants.

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Subsection (b) increases the limitation fixed by law on the compensation of secretaries and law clerks of circuit and district judges by the amounts necessary to pay the additional compensation provided by the bill.

Subsection (c) increases the limitation fixed by law on the compensation of court reporters for district courts by the amount necessary to permit payment of the increase authorized by the bill.

Employees in the Foreign Service

Section 3 (d) increases the compensation of employees in the Foreign Service, whose salaries are established by sections 412 and 415 of the Foreign Service Act of 1946, by 7.5 percent rounded to the nearest multiple of \$5.

Legislative employees

Section 4 (a) provides an increase of 7½ percent to officers and employees in or under the legislative branch.

Subsection (b) provides for the automatic adjustment of the compensation of employees in the office of a Senator to the rate nearest that being received by such employees immediately preceding enactment of this act unless the disbursing office of the Senate is notified to the contrary within 15 days after the date of enactment. Such notice, when given, would give effect to the increase.

Subsection (c) provides an increase of 7½ percent in the rates of basic compensation of the elected officers of the Senate and House of Representatives (not including the presiding officers of the two Houses), the Parliamentarian of the Senate, the Parliamentarian of the House of Representatives, the Legislative Counsel and senior counsel in the Office of the Legislative Counsel of the Senate, the Legislative Counsel of the House of Representatives, the Coordinator of Information of the House of Representatives, and the Chief Clerk of the Senate.

Subsection (d) increases the limitation fixed by law on the compensation of employees of the Senate by the amount necessary to pay the additional compensation provided by the bill. A necessary adjustment of \$60 is made in the authorized base pay of one employee in the office of a Senator in order to permit the gross pay of such employee to reach the maximum ceiling authorized by the bill.

Subsection (e) provides that the provisions of subsection (a) shall not apply to employees whose compensation is paid from the appropriation contained in the paragraph designated "Folding documents" under the heading "Contingent expenses of the Senate" in the Legislative Appropriation Act, 1958.

Subsection (f) provides that official reporters of proceedings and debates in the Senate and their employees shall be considered legislative employees for the purpose of entitlement to the increase provided by subsection (a).

Subsection (g) makes clear that the increase provided by subsection (a) is to be considered a part of basic compensation for the purposes of the Civil Service Retirement Act.

Subsection (h) makes three minor adjustments in the base pay of employees of committees of the Senate. The first adjustment corrects an existing inequity between the third salary level in the offices of Senators and the third salary level in committees. The base pay of this third salary level of committee employees is increased

by \$40 to place the committee staff personnel on the same salary basis as the staff of a Senator. The second adjustment adds \$60 to the base pay of the chief employee on each committee staff. This adjustment is necessary to permit the gross salary to reach the maximum ceiling authorized by the bill. A third adjustment permits one additional committee staff employee to be compensated at the intermediate salary level.

Subsection (i) reallocates the position of chief nurse in the Senate Office Building from grade GS-7 to grade GS-9.

Administrative Office of the United States Courts

Section 5 authorizes the allocation of four positions in the Administrative Office of the United States Courts to grade GS-18.

Supergrades

Section 6 increases the number of authorized supergrades to 1,625 distributed proportionately to grades GS-16, 17, and 18.

The increase in the number of authorized supergrades is adequate in the opinion of the committee to meet the most pressing needs of the various departments and agencies.

The committee desires to direct the attention of the Civil Service Commission to the fact that the number of such positions authorized takes into account a number of positions which, except for the intervention of this committee, would have been so allocated in various appropriation bills. These are as follows:

1. H. R. 6070, "An Act, making appropriations for sundry independent executive bureaus, * * *" as reported in the Senate authorized the Administrator, General Services Administration, to place 10 positions, at the field level, in grade GS-16.

2. H. R. 8090, "An Act, making appropriations for civil functions * * *" would authorize the allocation of two positions in the Department of Interior to grade GS-17.

3. The Independent Offices Appropriation Act, 1956, allocates the position of General Counsel, Housing and Home Finance Agency, to grade GS-18 "so long as such position is occupied by the incumbent."

The committee believes it appropriate that this position be allocated to grade GS-18 without regard to incumbency and so recommends.

Scientific positions

Section 7 increases the number of scientific positions that may be established pursuant to Public Law 313, 80th Congress, as follows:

| | |
|---|-----|
| Department of Defense----- | 155 |
| National Security Agency----- | 25 |
| National Advisory Committee for Aeronautics----- | 70 |
| Department of Interior----- | 10 |
| Department of Agriculture----- | 35 |
| Department of Health, Education, and Welfare----- | 10 |
| Department of Commerce----- | 50 |

National Institute of Mental Health

Section 8 fixes the pay of the Chief and Assistant Chief of the Training and Standards Branch at \$17,500. A provision in H. R. 6287, "An Act, making appropriations for the Department of Labor, and Health, Education, and Welfare, * * *" providing such salaries was deleted on the floor of the Senate to enable this committee to study the matter. That has been done and the salaries as proposed were found to be justified.

Ceiling on salaries

Section 9 provides that with certain specified exceptions no salary above \$16,000 shall be increased and no salary shall be increased to more than such amount.

Savings provision

Section 10 (a) establishes a freeze on civilian employment during the calendar quarter beginning October 1, 1957.

Subsection (b) provides that during succeeding calendar quarters appointments may not be made to more than one-third of the vacancies occurring during the preceding quarter.

Subsection (c) provides that neither the initial freeze on employment nor the limitation on the filling of vacancies during succeeding quarters shall apply to—

1. Positions filled by the President by and with the advice and consent of the Senate (including post offices of the first, second, and third class);
2. Fourth-class postmasters;
3. Positions filled from within a department or agency by the transfer or promotion of an employee;
4. Positions held by employees paid from a trust fund;
5. Positions held by seasonal or casual workers or employees serving without compensation;
6. Positions wherein the President determines the filling of which is necessary to the effective execution of essential government programs; and
7. Positions filled by a former employee pursuant to section 9 of the Universal Military Training and Service Act or any other provision of law conferring reemployment rights upon former employees.

Subsection (d) provides that the employment restrictions and limitations imposed by this section shall apply during any calendar quarter on which employment in the preceding calendar quarter was in excess of 2,150,000 or such other ceiling as from time to time might be established by the President.

Subsection (e) provides that the President may authorize the Director of the Bureau of the Budget to issue such rules and regulations as may be necessary to carry out the provisions of this section.

Subsection (f) authorizes the fulfillment of employment commitments made prior to the effective date of the act.

Effective date

Section 11 fixes the effective date of the increases as of the beginning of the first pay period after the date of enactment.

COST

Section 10 is designed to provide an orderly method of meeting all or most of the cost of the increases without resort to forced reductions in force or supplemental appropriations to the extent that would otherwise be required.

The committee is firm in its belief that management and labor working together in the interest of increased efficiency and production can absorb the cut of a sufficient number of jobs to pay the cost of

the increases. If both accept the challenge in proper spirit the result cannot be otherwise than beneficial to each.

Increases

| Section | Coverage | Employees | Amount |
|----------------------|------------------------------|-----------|---------------|
| Sec. 2 (a) | Classification Act..... | 957,000 | \$341,000,000 |
| Sec. 3 (a), (b)..... | Judicial branch..... | 3,400 | 1,225,000 |
| Sec. 3 (c)..... | Federal court reporters..... | 249 | 100,000 |
| Sec. 3 (d)..... | Foreign Service..... | 9,750 | 4,000,000 |
| Sec. 4..... | Legislative..... | 5,000 | 2,100,000 |
| Total..... | | 975,300 | \$48,425,000 |

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

CLASSIFICATION ACT OF 1949, AS AMENDED

* * * * *

SEC. 603. (a) * * *

(b) The compensation schedule for the General Schedule shall be as follows:

| Grade | Per annum rates | | | | | | |
|------------|-----------------|---------|---------|---------|---------|---------|---------|
| GS-1..... | \$2,690 | \$2,775 | \$2,860 | \$2,945 | \$3,030 | \$3,115 | \$3,200 |
| GS-2..... | 2,960 | 3,045 | 3,130 | 3,215 | 3,300 | 3,385 | 3,470 |
| GS-3..... | 3,175 | 3,260 | 3,345 | 3,430 | 3,515 | 3,600 | 3,685 |
| GS-4..... | 3,415 | 3,500 | 3,585 | 3,670 | 3,755 | 3,840 | 3,925 |
| GS-5..... | 3,670 | 3,805 | 3,940 | 4,075 | 4,210 | 4,345 | 4,480 |
| GS-6..... | 4,080 | 4,215 | 4,350 | 4,485 | 4,620 | 4,755 | 4,890 |
| GS-7..... | 4,525 | 4,660 | 4,795 | 4,930 | 5,065 | 5,200 | 5,335 |
| GS-8..... | 4,970 | 5,105 | 5,240 | 5,375 | 5,510 | 5,645 | 5,790 |
| GS-9..... | 5,440 | 5,575 | 5,710 | 5,845 | 5,980 | 6,115 | 6,250 |
| GS-10..... | 5,915 | 6,050 | 6,185 | 6,320 | 6,455 | 6,590 | 6,725 |
| GS-11..... | 6,390 | 6,605 | 6,820 | 7,035 | 7,250 | 7,465 | |
| GS-12..... | 7,570 | 7,785 | 8,000 | 8,215 | 8,430 | 8,645 | |
| GS-13..... | 8,990 | 9,205 | 9,420 | 9,635 | 9,860 | 10,085 | |
| GS-14..... | 10,320 | 10,535 | 10,750 | 10,965 | 11,180 | 11,395 | |
| GS-15..... | 11,610 | 11,880 | 12,150 | 12,420 | 12,690 | | |
| GS-16..... | 12,900 | 13,115 | 13,330 | 13,545 | 13,760 | | |
| GS-17..... | 13,975 | 14,190 | 14,405 | 14,620 | 14,835 | | |
| GS-18..... | 16,000 | | | | | | |

| Grade | Per annum rates | | | | | | |
|------------|-----------------|---------|---------|---------|---------|---------|---------|
| GS-1..... | \$2,890 | \$2,980 | \$3,070 | \$3,160 | \$3,250 | \$3,340 | \$3,430 |
| GS-2..... | 3,180 | 3,270 | 3,360 | 3,450 | 3,540 | 3,630 | 3,720 |
| GS-3..... | 3,415 | 3,505 | 3,595 | 3,685 | 3,775 | 3,865 | 3,955 |
| GS-4..... | 3,670 | 3,760 | 3,850 | 3,940 | 4,030 | 4,120 | 4,210 |
| GS-5..... | 3,945 | 4,090 | 4,235 | 4,380 | 4,525 | 4,670 | 4,815 |
| GS-6..... | 4,385 | 4,530 | 4,675 | 4,820 | 4,965 | 5,110 | 5,255 |
| GS-7..... | 4,865 | 5,010 | 5,155 | 5,300 | 5,445 | 5,590 | 5,735 |
| GS-8..... | 5,345 | 5,490 | 5,635 | 5,780 | 5,925 | 6,070 | 6,215 |
| GS-9..... | 5,850 | 5,995 | 6,140 | 6,285 | 6,430 | 6,575 | 6,720 |
| GS-10..... | 6,360 | 6,505 | 6,650 | 6,795 | 6,940 | 7,085 | 7,230 |
| GS-11..... | 6,870 | 7,100 | 7,330 | 7,560 | 7,790 | 8,020 | |
| GS-12..... | 8,140 | 8,370 | 8,600 | 8,830 | 9,060 | 9,290 | |
| GS-13..... | 9,665 | 9,895 | 10,125 | 10,355 | 10,585 | 10,815 | |
| GS-14..... | 11,005 | 11,335 | 11,565 | 11,795 | 12,015 | 12,245 | |
| GS-15..... | 12,480 | 12,770 | 13,060 | 13,360 | 13,660 | | |
| GS-16..... | 15,870 | 14,100 | 14,330 | 14,560 | 14,790 | | |
| GS-17..... | 14,975 | 15,205 | 15,435 | 15,665 | 15,895 | | |
| GS-18..... | 16,000 | | | | | | |

LEGISLATIVE APPROPRIATION ACT, 1956

* * * * *

SENATE

No officer or employee, whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of [§8,820] §8,880 per annum, or gross compensation at a rate in excess of [§14,800] \$16,000 per annum unless otherwise expressly authorized by this Act.

* * * * *

The basic compensation of any employee of any joint committee of the Senate and House of Representatives whose basic compensation is paid from the contingent fund of the Senate, of any select committee of the Senate (including the conference majority and conference minority of the Senate), or of any subcommittee of a standing or select committee of the Senate, shall not exceed \$8,000 per annum. Notwithstanding the foregoing provisions of this paragraph and the provisions of section 202 (e) of the Legislative Reorganization Act of 1946, as amended (2 U. S. C. 72a (e)), the joint resolution entitled "Joint resolution providing for a more effective staff organization for standing committees of the Senate", approved February 19, 1947, as amended (2 U. S. C. 72a-1), and the paragraph under the heading "Senate Policy Committee—" in the First Supplemental Appropriation Act, 1947, [the basic compensation of one employee of each standing or select committee of the Senate (including the majority and minority policy committees and the majority conference of the Senate and the minority conference of the Senate), and each joint committee of the two Houses, the expenses of which are paid from the contingent fund of the Senate, whose basic compensation may be fixed under such provisions at a rate of \$8,000 per annum, may be fixed at any rate not in excess of \$8,820 per annum and, the basic compensation of one employee of each such committee may be fixed at any rate not in excess of \$8,460 per annum] the basic compensation of any employee of a standing or select committee of the Senate (including the majority and minority policy committees and the majority conference of the Senate and the minority conference of the Senate), or a joint committee of the two Houses the expenses of which are paid from the contingent fund of the Senate, whose basic compensation may be fixed under such provisions at a rate of \$8,000 per annum, may be fixed at a rate not in excess of \$8,040 per annum, except that the basic compensation of one such employee may be fixed at a rate not in excess of \$8,880 per annum and the basic compensation of two such employees may be fixed at a rate not in excess of \$8,460 per annum. For the purpose of this paragraph, an employee of a subcommittee shall be considered to be an employee of the full committee.

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SECTION 505 OF THE CLASSIFICATION ACT OF 1949

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(b) Subject to subsections (c), (d), and (e) of this section, a majority of the Civil Service Commissioners are authorized to establish and, from time to time, revise the maximum numbers of positions

(not to exceed [twelve hundred and twenty-six] sixteen hundred and twenty-five) which may be in grades 16, 17, and 18 of the General Schedule at any one time, except that under such authority such maximum number of positions shall not exceed [three hundred and twenty-nine] four hundred and thirty for grade 17 and [one hundred thirty] one hundred and seventy for grade 18.

* * * * *

(f) *The Administrator of the United States Courts is authorized to place a total of four positions in grade 18 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).*

ACT OF AUGUST 1, 1947 (PUBLIC LAW 313, 80TH CONGRESS)

SEC. 1. (a) The Secretary of Defense is authorized to establish and fix the compensation for not more than [one hundred and twenty] two hundred and seventy-five positions in the Department of Defense and not more than [twenty-five] fifty positions in the National Security Agency, each such position being established to effectuate those research and development functions, relating to the national defense, military and naval medicine, and any and all other activities of the Department of Defense and the National Security Agency, as the case may be, which require the services of specially qualified scientific or professional personnel.

(b) The Chairman of the National Advisory Committee for Aeronautics is authorized to establish and fix the compensation for, in the headquarters and research stations of the National Advisory Committee for Aeronautics, not to exceed [thirty] one hundred positions in the professional and scientific service, each such position being established in order to enable the National Advisory Committee for Aeronautics to secure and retain the services of specially qualified personnel necessary in the discharge of the duty of the Committee to supervise and direct the scientific study of the problems of flight with a view to their practical solution.

(c) The rates of compensation for positions established pursuant to the provisions of sections 171p-171r of this title shall not be less than \$12,500 per annum nor more than \$19,000 per annum and shall be subject to the approval of the Civil Service Commission.

(d) *The Secretary of the Interior is authorized to establish and fix the compensation for not more than ten positions in the Department of the Interior, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.*

(e) *The Secretary of Agriculture is authorized to establish and fix the compensation for not more than thirty-five positions in the Department of Agriculture, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.*

(f) *The Secretary of Health, Education, and Welfare is authorized to establish and fix the compensation for not more than ten positions in the Department of Health, Education, and Welfare, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.*

(g) The Secretary of Commerce is authorized to establish and fix the compensation for not more than fifty positions in the Department of Commerce, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

* * * * *

SEC. 3. The Secretary of Defense, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, and the Chairman of the National Advisory Committee for Aeronautics shall submit to the Congress, not later than December 31 of each year, a report setting forth the number of positions established pursuant to this Act in the National Military Establishment, the Department of the Interior, the Department of Agriculture, the Department of Commerce, the Department of Health, Education, and Welfare, and in the headquarters and research stations of the National Advisory Committee for Aeronautics, respectively, during the calendar year, and the name, rate of compensation, and description of the qualifications of each incumbent, together with a statement of the functions performed by each. In any instance where the Secretary or the Chairman, respectively, may consider full public report on these items detrimental to the national security, he is authorized to omit such items from his annual report and, in lieu thereof, to present such information in executive sessions of such committees of the Senate and House of Representatives as the presiding officers of those bodies shall designate.

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